



DEFENSE FINANCE AND ACCOUNTING SERVICE
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JUL 25 2003

DFAS-HQ/DFC

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY (FINANCIAL
OPERATIONS)
DIRECTOR, OFFICE OF FINANCIAL OPERATIONS,
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL OPERATIONS)
COMPTROLLERS, DEFENSE AGENCIES
DIRECTOR, EXECUTIVE OFFICE OF THE PRESIDENT,
PERSONNEL DIVISION
DIRECTOR, US SOLDIERS AND AIRMEN'S HOME, PERSONNEL
DIVISION

SUBJECT: Revised Defense Civilian Pay System (DCPS) Concept
of Operations

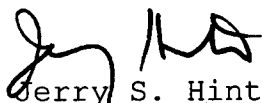
The DCPS Concept of Operations was last published as a revision on February 7, 1997. We have further revised the concept to include changes in our business practices, clarified responsibilities, and identified new responsibilities since our last issuance. Attached is the revised DCPS Concept of Operations outlining the responsibilities of local employing activities, prior payroll offices, DFAS program managers, the consolidated employing activity, and the disbursing activity.

The following synthesizes the major changes that have been incorporated into this document. We have added a new section under employing activity responsibilities for an approving official in order to emphasize the need to ensure timely and accurate recording of time and attendance. We have also updated our concept by incorporating the current practices of Customer Service Representatives (CSRs) to: provide training for new CSRs, timekeepers, and certifiers; advise local unions of the procedures for updating fees and addresses; and, visit the DFAS website for obtaining the latest guidance for DCPS. Additionally, the concept now recognizes that prior payroll offices will submit SF 135s and/or microfiche payroll records directly to the consolidated payroll office and does not require that accounting activities retain pre-conversion documentation. We have also added a new section to identify the responsibilities of the DCPS civilian pay program management team. We hope this new section will allow our customers to have a better understanding of the

responsibilities within the DCPS structure.

The consolidated payroll office responsibilities have been updated to recognize that under the Centralized Enrollment Clearinghouse (CLER), the system for identifying and resolving discrepancies in health benefit enrollments, both personnel and payroll have roles in resolving the discrepancies and ensuring resolution of ongoing errors. Additionally, we have provided a new section to separately identify disbursing office responsibilities. We believe this will clarify the disbursing role in providing civilian payroll services.

You are requested to provide the widest possible dissemination of this memorandum. Please refer any questions you may have on this matter to DFAS-DFC at (703) 607-5022.


Jerry S. Hinton
Director for Finance

Attachment:
As stated

cc:
National Security Agency (Attn:Laneita Kisamore)
Department of Energy
DFAS Military and Civilian Pay Services
DFAS Cleveland, Disbursing

DEFENSE CIVILIAN PAY SYSTEM (DCPS)
CONCEPT OF OPERATIONS
July 18, 2003

I. EMPLOYING ACTIVITY RESPONSIBILITIES

A. TIMEKEEPERS: Timekeepers are normally distributed throughout the general population of the customer activity. Time may be recorded either by use of the DCPS On-Line T&A application, DCPS PC based application, or an approved Component developed Source Data Automation (SDA) systems.

1. RESPONSIBILITIES:

- a. Establishes and changes employees' work schedules in DCPS.
- b. Records daily time and attendance (T&A) data prior to first pass.
- c. Performs data entry of T&A data at the site, or when access is not available, at a neighboring site. Notifies the payroll office prior to the first pass when emergency time must be applied through the Customer Service Representative (CSR).
- d. Monitors and corrects rejected T&A information from payroll system generated reports.
- e. Obtains T&A certification from the supervisor or authorized certifier.
- f. Maintains files of T&A documents for six years, through hard copy or electronic media.
- g. Provides data entry of T&A corrections (See C.1.d.2 for SDA).
- h. Provides CSR with updated security access questionnaire as changes occur.
- i. Submits corrections to T&A as required.
- j. Reviews missing T&A reports and inputs corrections as required.
- k. Monitors the DFAS website, <https://dfas4dod.dfas.mil>, for the latest payroll guidance.

2. TIMEKEEPERS AND SUPERVISORS FILES:

- a. Hard copy time and attendance (T&A) reports, to include corrected T&As, as applicable.
- b. Sign-in/sign-out sheets, if utilized.
- c. Overtime/compensatory time authorizations.
- d. Application for Leave (OPM 71).
- e. Work schedule reports.

Attachment

B. Approving Official's Responsibilities:

1. Ensures timely and accurate recording, certification, and submission of Time and Attendance.
2. Assigns timekeeping responsibilities.
3. Advises CSR to add, update, or remove a timekeeper's access to DCPS using the DCPS User Security Access Questionnaire and maintains a list of active timekeepers.

C. CUSTOMER SERVICE REPRESENTATIVE (CSR): The CSR provides "over-the-counter" liaison service to employees. These tasks can be performed as part of a CSR within the employing activity, as part of the servicing civilian personnel office, or distributed among the base level organizations. The CSR forwards unresolved pay and leave issues to the servicing payroll office via Remedy software.

1. RESPONSIBILITIES:

- a. Receives documents from employees to authorize changes which affect their payroll accounts to include but not limited to address changes; start, change or stop an allotment; tax exemption changes; court leave, military orders, and law enforcement certifications. Stocks various forms.
- b. Provides data entry to update the master employee record (MER). (Includes address changes; savings allotments; Federal, state, and local tax authorizations; bonds; charity; employee organizations; net-pay distribution; NGAUS data; advanced/restored leave; adjustments to annual leave, sick leave, miscellaneous leave such as compensatory time, through T&A input, etc.; and certification of outstanding leave documentation report).
- c. Reviews the myPay Invalid Report and advises the customer of invalid transactions and correction procedures.
- d. Maintains customer service support files of documents in accordance with the GSA General Records Schedule (GRS).
 - (1) Federal, state, and local tax authorizations

- (2) Advanced earned income credit authorizations
- (3) U.S. Savings Bond authorizations
- (4) Authorizations for direct deposit or EFT of net pay
- (5) Authorizations for allotments
- (6) Employee organization authorization/cancellations
- (7) Charitable contribution authorizations
- (8) Employee mailing address changes
- (9) Advance annual and sick leave authorizations
- (10) Restored leave authorizations
- (11) Leave and earnings statement (for leave balance prior to receipt of SF 1150)
- (12) Voyage days authorizations
- (13) Quarters deduction authorizations
- (14) Continuation of pay (COP) authorizations (for data input to DCPS COP screen)
- (15) Accounting Classification Record
- (16) Military orders
- (17) Court leave certifications
- (18) Law enforcement leave certifications
- (19) Miscellaneous correspondence
- (20) Foreign telephone bill deductions
- (21) DoDEA extra curricular pay authorizations

e. Provides support for time and attendance reporting:

- (1) Inputs T&A data from timekeepers who do not have on-line access to the central database.
- (2) Makes on-line corrections to T&A from SDA_files (i.e. ATAAPS, PC based, etc.).
- (3) Inputs required corrections from the Invalid Transaction Report.
- (4) Monitors Missing Time/Created Leave Report and the Conversion Hours Report to assure all time has been input.

f. Serves as the consolidated civilian payroll office point of contact to resolve T&A issues that cannot be resolved by timekeepers.

g. Downloads activity level reports, including missing or erroneous T&A reports, management reports, and other ad hoc reports. Assists the customer in the remote printing of T&A and management reports.

- h. Provides timely data entry for updating accounting classifications at the employee, organization, or activity level as appropriate. CSRs may obtain the accounting information from their resource management office.
- i. Provides request for replacement of W-2s and bonds to the civilian payroll office.
- j. Provides for replacement of Leave and Earnings Statement (LES) as requested by employee. Advises employee that LES and W-2 replacements are available through MyPay.
- k. Maintains local tables (refer to DCPS Users Manual for Customer Service Representatives, Appendix A5):
 - (1) Employing Activity Record (certain data elements, to include accounting classification defaults)
 - (2) Organization Record (certain data elements)
 - (3) Standard Leave Job Orders
 - (4) Work Schedule Default
 - (5) Local Holiday
 - (6) Employing Activity Addresses
 - (7) T&A Site Identification
 - (8) CSR Site Identification
- l. Submits all required security forms to support the building of tables and or gaining access to DCPS for CSRs and Timekeepers.
- m. Accepts and forwards payroll related collection fees, such as jury duty, to the DFAS Cleveland disbursing office.
- n. Maintains updated security access files to support the consolidated civilian payroll office in identifying authorized users.
- o. Assists employees and the consolidated civilian payroll office in the resolution of issues.
- p. Provides training for new CSRs, timekeepers, and certifiers, which is in addition to the DCPS provided Computer Based Training.

- q. Encourages employees to utilize <https://myPay.dfas.mil> for both input of pay data and retrieval of LES's and W-2's.
- r. Advises local unions on the proper procedures for updating union fees and mailing address data.
- s. Routinely visits <https://dfas4dod.dfas.mil/system/dcps> for the latest DCPS guidance and CBT updates.
- t. Completes the Security Awareness CBT and advises DCPS ISSO of completion.

II. PRIOR PAYROLL OFFICE RESPONSIBILITIES

- A. CONVERSION RESPONSIBILITIES: Provides conversion support as outlined in the DCPS Installation Implementation Plan (IIP) presented to each closing civilian payroll site prior to conversion.
- B. PRE-CONVERSION RESPONSIBILITIES: Outlined in the DCPS Civilian Payroll Office Close Down Procedures, Attachment 2, paragraphs D.1 through D.4.
- C. POST-CONVERSION RESPONSIBILITIES: Contained in the Civilian Payroll Office Close Down Procedures.
 - 1. Upon consolidation of the closing payroll office to the consolidated payroll office, provide archival quality microform of the employee pay records (or equivalent), leave records (or equivalent), and official T&A records (as available) to the consolidated civilian payroll office.
 - a. Forward only the microfiched or microfilm records that have not met disposition requirements in accordance with the GSA General Records Schedule. Microfiched records that are not of an archival quality, will not be accepted by the DFAS consolidated civilian payroll office.
 - b. Forward either the hard copy or microfiched pay records to the National Personnel Records Center. Forward a copy of the SF 135 that accompanied these records to the consolidated civilian payroll office.

2. The consolidated civilian payroll office becomes responsible for researching pre-conversion retroactive payments from historical records provided by the closed civilian payroll office.

The consolidated civilian payroll office will not assume responsibility for pre-conversion retroactive payments for historical records not forwarded in accordance with these standards.

3. Provides a copy of the transmittal of the SF 135's and all separation/retirement cards submitted to OPM via microfiche/microfilm to the gaining payroll office.

III. ACCOUNTING ACTIVITY (AA) RESPONSIBILITIES

- A. Process accounting transactions received from the civilian payroll system and reconciles cross-disbursing and IPAC transactions with the DFAS Central Sites responsible for Departmental reporting. Immediately notifies Technology Services Office (TSO)- Pensacola (PE) of any file transfers of labor or gross pay data not received on schedule.
- B. Prepares and reconciles the Work Years and Personnel Costs Report, as appropriate.
- C. Provides employee accounting data including the job order and clear text appropriation data. Ensures the completeness and accuracy of accounting information in the employee's master record upon conversion to DCPS. Accession of new employees and periodic changes in the local financial management reporting requirements will also require review, coordination, and data entry by the CSRs or AA Accounting Technicians.
- D. Ensures that financial management reports which reflect civilian labor costs are properly prepared and distributed to customers.
- E. Adjusts the accounting system as required to ensure costs are reported in the right appropriation or cost center.

IV. Program Management Responsibilities

- A. Program Sponsor: The Director, Military/Civilian Pay Services is the program sponsor and exercises positive management control and coordination over development, operational, and improvement efforts within DoD to ensure the establishment and maintenance of the

civilian pay system is in compliance with applicable statutes and regulations.

B. Functional Manager: The Director, Pay Systems is the functional manager, and is responsible for ensuring that the pay system programs satisfy all legal, regulatory, and policy requirements. The functional manager:

1. Ensures functional representative support for the program management officer.
2. Appoints the Systems Manager and program team members as needed.
3. Reviews the program periodically for effectiveness, affordability, efficiency, manageability, and coordination.
4. Identifies information deficiencies, diagnoses problems, and takes corrective action.
5. Implements the DFAS Portfolio Management Process and DCPS Configuration Management.

C. Systems Manager: The Systems Manager is assigned to the Director, Pay Systems Functional Manager. The System Manager is responsible for the planning, execution, and monitoring of the program, system development, and implementation of the pay system. The system manager will initiate all official communication for issues relating to the program. The systems manager:

1. Supervises and manages the System Manager Office (SMO) staff.
2. Develops and coordinates implementation plans as required.
3. Chairs the DCPS Civilian Pay Operations Group (CPOG) and the Civilian Pay Liaison Committee (CPLC), prepares and maintains current cost estimates and cost/benefit analysis.
4. Prepares and maintains current cost estimates and cost/benefit analysis, and maintains Interservice Support Agreement (ISSA's) with all non-DoD customers.
5. Serves as the primary DCPS point of contact for communication with both non-Dod and DoD organizations, through their respective Financial Management (FM) or Personnel Project Officers.
6. Evaluates emerging and changing functional requirements to determine impact on program resource requirements. Recommends system change priorities. Reviews system change requests on regulatory and/or mandatory requirements.
7. Reviews System Change Requests (SCRs) and accomplishes functional analysis as needed.

7. Reviews System Change Requests (SCRs) and accomplishes functional analysis as needed.
8. Identifies, evaluates, and makes recommendations for resolving conflicting policy and system requirement issues.
9. Maintains liaison with affected payroll offices to identify and resolve system development and program implementation issues.
10. Certifies the functional adequacy of the system in system acceptance tests.
11. Ensures DCPS maintains system security and system confidentiality, integrity, and availability.
12. Provides appropriate agency representatives with timely SITREP Reports on civilian pay issues affecting the commands.
13. Serves as the primary DCPS point of contact for communication with government and non-government audit agencies in respect to audits involving DCPS.
14. Serves as the primary point of contact for DCPS Bright Ideas, providing appropriate feedback to Bright Ideas coordinator.
15. Ensures the system meets its internal performance metrics in line with the DFAS Vision and Mission.

D. Project Officer, Central Design Activity: The Technology Services Organization Activity - Pensacola (TSOPE) is the program Central Design Activity (CDA). The Project Officer, TSO is responsible for directing and controlling all program TSO related efforts. The TSO has primary responsibility for software design, development and software implementation initiatives. Specific responsibilities are defined as follows:

1. Develops the system technical design.
2. Develops, tests, and implements the applications software.
3. Ensures conversion plans and programs required to convert existing databases to the new system are developed.
4. Prepares and maintains all technical and operations documentation related to the automated system.
5. Provides information and support on any technical project or requirements assigned by the Systems Manager.
6. Coordinates and monitors all TSO activities and initiates actions to correct any deviations from schedules.
7. Provides one-time/non-recurring ad-hoc reports, as required.
8. Maintains all payroll system central tables.

V. CONSOLIDATED CIVILIAN PAYROLL OFFICE OPERATIONAL
RESPONSIBILITIES

- A. Maintains consolidated civilian payroll system tables
(refer to DCPS Users Manual, Appendix A2):
 - 1. Employing Activity Record
 - a. Accounting Classification
 - b. Employing Activity (DODDS)
 - 2. Address Tables
 - a. Accounting Activity
 - b. Bond Issuing Agent
 - c. Deduction Payee
 - d. Disbursing Office
 - e. Employing Activity Office
 - f. Federal Taxing Authority
 - g. Payroll Office
 - h. Submitting Office
 - i. USUHS Deductions
 - 3. Organization Record
 - a. Work Schedule Default
 - b. Standard Leave Job Orders
 - c. Organization Accounting Classification
 - 4. Financial Organization Address
 - 5. Local Holiday
 - 6. Pay Block Record
 - 7. Payroll Office Master Record - Accounting Activity
 - 8. Rotating Tour of Duty
 - 9. SDA Interface
 - 10. System Status
 - 11. State and Local Taxing Authority
 - 12. Customer Service Representative Identification
 - 13. Apprentice Pay
 - 14. Leave Bank
 - 15. Remote Disbursing Data
 - 16. W-2 Submitter Data
- B. Maintain a record identifying the location of historical employee pay records for each closing civilian payroll office, the corresponding point of contact, and all SF 135's received from the closing payroll office's for the payroll records submitted to the National Personnel Records Center.
- C. Maintains the following microfiche files for researching pre-conversion retroactive payroll adjustments as provided by the closing civilian payroll office:
 - 1. Employee pay, leave, and T&A data.

2. Individual retirement records and registers for employees converted to DCPS.
- D. Maintains consolidated civilian payroll office employee files including the following documents:
1. Indebtedness to U. S. Government
 - a. DoD/non-DoD voluntary
 - b. DoD/non-DoD involuntary
 2. Tax levy (voluntary and involuntary)
 3. Court ordered bankruptcy
 4. Nonappropriated Fund 401(k) Authorizations
 5. Thrift Savings Plan Retroactive Contribution Authorization
 6. Thrift Savings Plan Loan Payment Allotment Form (TSP-22)
 7. Record of Leave Data (SF 1150) - may not be required at conversion
 8. Transfer of Leave Records for Leave Recipient Covered by the Voluntary Leave Transfer Program (SF 1150A)
 9. Statement of annual annuity amount for reemployed annuitants
 10. Military Deposit Worksheet (OPM Form 1514)
 11. Continuation of Pay, Workman's Compensation, and buy back of leave documentation
 12. Public Voucher for Unpaid Compensation Due a Deceased Employee (SF 1154)
 13. Unprocessed documents that were received but not processed prior to the transfer of payroll accounts
- E. Maintains employee automated leave and pay records.
- F. Provides centralized retirement record keeping and reporting.
1. Processes biweekly Register of Separations and Transfers (SF 2807 and SF 3103) for separating employees.
 2. Ensures retirement accounts established under DCPS are reconciled.
 3. Resolves and returns all outstanding OPM discrepancy letters.
- G. Ensures reports are made available for downloading and printing by the CSR. .
- H. Calculates and processes special payments and ensures employee year-to-date data is adjusted.

- I. Provides customer service and support: Resolves problems and answers questions from CSRs, local activities, major commands/claimants, and other interested parties.
- J. Processes cancelled payments and ensures employee year-to-date data is adjusted.
- K. Forwards requests to TSO Pensacola or generates one-time/non-recurring ad-hoc reports as required.
- L. Forwards requests for replacement checks to DFAS Cleveland disbursing office.
- M. Processes an indebtedness action and initiates due process for debts originating from payroll processing, of the current and closing payroll office.
- N. Reconciles EFT submissions and processes Notices of Changes received from financial institutions.
- O. Provides pre-conversion retroactive support:

Pre-conversion data is not stored in DCPS, therefore, retroactive payments must be manually computed and processed by the consolidated civilian payroll office.

- a. Researches, computes, and processes pre-conversion retroactive adjustments based on microfiched records forwarded from the closed civilian payroll office.
 - b. Retroactive adjustments that require corrections to IRS Forms 941, 941c, W-3 and/or W-3c will be submitted by the consolidated civilian payroll office and the Cleveland disbursing office using the Employer's Identification Number (EIN) of the losing payroll office.
 - c. Retroactive adjustments that are forwarded to the Office of Personnel Management or the National Finance Center, will be submitted by the consolidated civilian payroll office using the losing payroll office's payroll office number.
- P. Resolves discrepancies in health benefit enrollment data through coordination with the servicing personnel office.

- Q. Provides administrative oversight between the enrollee's employing agency and the health benefit carrier in the resolution of health benefit discrepancies identified under the OPM Federal Employees Health Benefits Centralized Enrollment Clearinghouse (CLER).
- R. Issues corrected IRS Forms W-2, 941c, W-3, and W-3c for prior civilian payroll offices.
- S. Provides functional and technical training and requirements to customers. Such information and guidance will be provided as follows:
1. Information will be promulgated through payroll advisories (to all Remedy Clients); mass mailings to the Civilian Payroll Liaison Committee (CPLC); web updates; news letters, etc.
 2. At periodic training conferences designed for both Customer Service Representatives (CSR) and Personnel Representatives and their management. DFAS will fund the cost for facilities and training materials. Agencies will fund all travel, per diem, and conference fees, if applicable.
 3. Through on-site training, based on a train the trainer concept. Such training will be negotiated on an as needed basis by the agency and the servicing payroll office. All costs associated with this training will be borne by the requesting agency.
 4. Briefs at the agency or major command level will be funded by DFAS. Briefings requested below this level will be funded by the requesting agency.
- T. Reconciles and distributes biweekly certification reports:
1. Report of Withholdings and Contributions for Health Benefits, Life Insurance and Retirement (SF 2812)
 2. Report of Withholding and Contributions for Health Benefits by Enrollment Code (SF 2812A)
 3. Payroll for Personal Services Payroll Certification and Summary (DD Form 592)
 4. Statement of Unpaid Wages
 5. Employees Exceeding Limitations
 6. Specified Deductions Exception
 7. Payroll Gross to Net Verification
 8. Indebtedness to the Government

- 9. Collection of Delinquent Debts
- 10. FEHB Indebtedness
- 11. Payroll Crossfoot Error Notification
- 12. Savings Bond Summary
- 13. Special Pay Totals on Adjustments to be Taken Report
- 14. NGAUS Insurance

- U. Prepares Certification of Transfer of Funds and Journal Voucher (TSP-2) and Certification of Transfer of Funds and Journal Voucher for Loan Repayments and submits to the National Finance Center.

- V. Makes collections into Deposit Fund Accounts for Savings Bonds, state taxes, local taxes, and unpaid compensation due beneficiaries of deceased employees.

- W. Prepares Public Voucher for Refunds (SF 1049) to disburse funds from Deposit Fund Accounts.

- X. Generates checks or EFT transmissions for special pays and replacement checks.

- Y. Cancels checks when required.

- Z. Provides training materials to all new CSRs, timekeepers, and certifiers.

- AA. Provides system security access to all authorized users.

- AB. Attends the annual security training and completes the Security Awareness CBT located at <https://dfas4dod.dfas.mil/system/dcps>.

- AC. Monitors the payroll office website for payroll guidance and documentation updates.

VI. DFAS CLEVELAND DISBURSING RESPONSIBILITIES

- A. Maintains reconciled hard copy reports of the IRS Forms 941 and W-2 for the current year of conversion, the three years prior, and beyond.

- B. Submits IRS Forms W-2, 941c, W-3, and W-3c for the consolidated civilian payroll office and closed civilian payroll offices.

- C. Processes requests for replacement checks received from the CSR.

- D. Accepts and deposits collection fees, such as jury duty, repayment of salary debts, etc.
- E. Provides centralized tax reporting to Federal, state, and local taxing authorities.
- F. Generates checks or EFT transmissions for special pays and replacement checks.
- G. Transmits the SF 2812 data to the Office of Personnel Management through RITS/OPAC transactions.
- H. Provides check numbers and voucher numbers for payroll processing.